The Central Government has built a national consensus to focus on a time bound programme for reduction of AT&C losses. In the Chief Ministers' Conference held under the Chairmanship of the Prime Minister on 28th May 2007, a unanimous resolution was adopted which *inter alia* included the commitment of the States, with appropriate assistance from the Centre, to establish the necessary baseline data and information technology applications for energy accounting and auditing, and for ensuring a resolute elimination of electricity theft.

(e) The Government have approved the continuation of APDRP during the XI Five Year Plan with revised terms and conditions as a Central Sector Scheme. The focus of the programme during XI Plan is on actual, demonstrable performance in terms of loss reduction. In the project area, the State Power Utilities are expected to achieve Aggregate Technical & Commercial (AT&C) loss reduction target of 15%. The Utilities are also to achieve the following target of AT&C loss reduction at utility level:

- Utilities having AT&C loss above 30%: Reduction by 3% per year
- Utilities having AT&C loss below 30%: Reduction by 1.5% per year

Projects under the scheme are to be taken up in Two Parts. Part-A is to include the projects for establishment of baseline data and IT applications for energy accounting / auditing & IT based consumer service centers. Part-B includes regular distribution strengthening projects. Scheme also contains provision of incentive for utility staff in towns where AT&C loss levels are brought below the base line levels.

Changes in power sector

1512. PROF. ALKA BALRAM KSHATRIYA:
SHRI VIJAY JAWAHARLAL DARDA:

Will the Minister of POWER be pleased to state:

(a) whether the country's power sector needs radical changes particularly in distribution sector;

(b) if so, the details thereof;

(c) whether the generation and distribution of power is not upto the mark resulting in affecting the economic growth; and

(d) if so, the steps Government proposes to take in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI JAIRAM RAMESH): (a) to (d) Government of India is well aware of the needs of the power sector in the present dynamic scenario. Government of India has enacted Electricity Act 2003 and launched a number of important programmes like the Accelerated Power Development and Reforms Programme (APDRP), Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY), Capacity Addition Programme, Development of National Grid and the Energy Efficiency and Conservation Programme, etc. for improving the power sector of the country.

Radical changes, particularly in distribution sector have already been mandated in the Electricity Act 2003, as under:-

i) Restructuring of State Electricity Board.

(ii) Endeavour to extend supply to all villages/ hamlets.

(iii) No requirement of license for generation and if a person intends to generate and distribute power in rural area, no licence is required.

(vi) Distribution to be licensed by State Electricity Regulatory Commissions (SERCs).

(v) Distribution licenses free to take up generation and generation company free to take up distribution license. This would facilitate private sector participation without Government guarantee/ escrow.

(vi) Retail tariff to be determined by the Regulatory Commission.

(vii) Metering made compulsory.

(viii) Open access in distribution to be allowed by SERC in phases.

(ix) Stringent provisions for theft of electricity.

(x) Measures for protection of consumer interest.

An important programme of Capacity Addition in the generation sector has been worked out by Ministry of Power. National Electricity Policy envisages "Power for all by 2012" and per capita availability of power to be increased to over 1000 units by 2011-12. Under the Electricity Act, 2003, the setting up of generation capacity has been substantially liberalized. The Ministry has in consultation with the Planning Commission fixed a target of adding 78,760 MW in the XI Plan. Based on the present status of ongoing generation projects, the Central Electricity Authority (CEA) has estimated that a larger generation capacity of 79790 MW could be feasible from conventional sources during the 11th Plan. A capacity of 11322 MW has already been added and 68468 MW is under construction.

Another major program of the Ministry of Power is the development of the national grid, nearly 17,000 MW inter-regional power transfer capacity has been established to transmit bulk power at extra high voltage from resource rich areas to deficit areas across the country.

The APDRP was launched in 2002-03 with the- objective of encouraging State level reforms, reducing Aggregate Technical and Commercial (AT&C) losses, improving the quality of supply of power and improving consumer satisfaction. Under the programme, 571 projects were sanctioned covering approximately 906 towns in the country. At the town level, AT&C losses have been brought below 20 per cent in 215 APDRP towns in the country, of which 163 towns have brought AT&C losses below 15 per cent. Keeping in mind the suggestions of the various stakeholders, the focus of recently approved restructured APDRP in XI Plan is on actual, demonstrable performance in terms of loss reduction. In the project areas, the State Power Utilities are expected to reduce AT&C losses to 15%. The Utilities are also to achieve the following target of AT&C loss reduction for the utility as a whole:

- Utilities having AT&C loss above 30%: Reduction by 3% per year
- Utilities having AT&C loss below 30%: Reduction by 1.5% per year

Projects under the scheme are to be taken up in Two Parts. Part-A is to include the projects for establishment of baseline data and use of information technology (IT) applications for energy accounting / auditing and setting up of IT based consumer service centers. Part-B includes regular distribution strengthening projects.

Under the Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY), as on date, 558 projects have been sanctioned with an outlay of Rs. 25,679.64 crore for providing electricity to 1,16,124 un-electrified villages, intensive electrification of 3,49,853 already electrified villages, releasing electricity connections to 4.09 crore rural households including 2.43 crore Below Poverty Line (BPL) households. The cumulative achievement is the electrification of 53,048 hitherto un-electrified villages, intensive electrification of 66,808 already electrified villages and provision of electricity connections to 48.18 lakh rural households including 40.76 lakh BPL households.

In order to manage and boost energy efficiency, the Ministry is implementing a programme to encourage greater energy efficiency in the use of electricity laying down standards for minimum energy performance for electrical equipment and new commercial buildings, to promote agricultural and municipal demand side management, promote energy efficiency in small and medium enterprises and operationalise the Energy Conservation Act, 2001 by strengthening state designated agencies. The targeted reduction in demand by these interventions has been kept at 5% of the total capacity at the end of XI Plan, which translates into an avoided capacity addition of 10000 MW.

NTPC foray into power equipment manufacturing

1513. SHRI TARINI KANTA ROY: Will the Minister of POWER be pleased to state:

(a) whether NTPC's corporate mission or business objective includes power equipment manufacturing;

(b) if so, the details thereof;

(c) whether, to enable the company to take up fuel-related diversifications as backward integration, an amendment was made in the Memorandum of Association;

(d) if so, whether any such amendment has been made before committing NTPC to equipment manufacturing business through joint venture with private sector;

(e) if so, the reasons therefor;

(f) whether the whole exercise would facilitate private power plant equipment makers to have access to power equipment business through NTPC; and

(g) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI JAIRAM RAMESH): (a) and (b) Main Object Clause of the Memorandum of Association of NTPC Ltd. does not specifically include power equipment manufacturing activities. However, Objects incidental or ancillary to the attainment of the main object of Memorandum of Association authorize the company to *inter-alia* enter into any Joint Venture with any person or company carrying on or engaged in or about to carry on or engage in any business or transaction, which the Company is authorized to carry on or engage in or any business undertaking or transaction which may seem capable of being carried on or conducted so as directly or indirectly to benefit the company.

(c) Yes, Sir. An amendment was made in 2005 in the Object Clause of Memorandum of Association for NTPC Ltd.'s foray into fuel related activities.